



**Masters Dissertation in Public Administration
POAD 9050**

**Asset Declaration System in Vietnam:
Lessons for other countries**

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List of Abbreviations

ACL	Anti-Corruption Law
APEC	Asia-Pacific Economic Cooperation
GDP	Gross Domestic Product
HKD	Hong Kong Dollar
OECD	The Organization for Economic Co-operation and Development
UNCAC	United Nations Convention Against Corruption
UNDP	United Nations Development Program
USD	United States Dollar
VND	Vietnamese Dong

Abstract

A well-designed and structured asset declaration system contributes to preventing and detecting corruption effectively and eventually leads to successful conviction of corruption-related offences. There is no single best practice design for asset declaration within every context. Some previous research suggests some recommendations to establish an asset declaration system but no one study has explained the principal reasons for the ineffectiveness of asset declaration systems. This study aims to analyze the relevant guideline of the United Nations Convention Against Corruption and good practices of Hong Kong, Indonesia's asset declaration system to assess whether the system of Vietnam is operating effectively or ineffectively. Using primary data, including anti-corruption reports of the Vietnamese Government, as well as secondary studies of corruption and asset declarations, this study argues that the ineffectiveness of Vietnam's current system could be mainly derived from the limitations of the legal framework regarding the scope and coverage of the system, the verification process, public access and sanctions for non-compliance. Other factors such as weak political will, technology and capacity of employees working in enforcement and compliance also affect the success of legal framework and the effectiveness of asset declaration system as well. Several implications could be raised in this research. Firstly, the determined political will underlying anti-corruption policy is identified obviously such as the reform of relevant legal framework, the development of organizational structure and human resources of anti-corruption agencies. Secondly, the limitations of legal framework are addressed comprehensively through scrutinizing who should be obliged to declare income and assets, what information should be declared, how should asset declaration be verified, which information should be opened to public access, which are sanctions for non-compliance. Thirdly, the development of e-system and capacity of human resources are considered to improve the quality of verification, public access and enforcement under the asset declaration system.

CHAPTER 1: INTRODUCTION

1.1. Background of problem

There is a variety of definitions of corruption identified by both international organizations and many researchers over the world. The definitions can be different because of the different approaches on the scope of corruption such as private sector or public sector and the entities of corruption such as public servants, politicians or the level of corruption such as grand or petty corruption. Generally, corruption is considered as the abuse of entrusted power for private interest (United Nations Office on Drugs Crime 2006). In the research, corruption is understood that senior public officials abuse their power in public affair to gain illegal interest. The prevalence and longevity of corrupt acts lead to adverse effects on the public administration, economy and society such as the constraints for developing capacities of states, the burden of the national budget and the loss of public trust on government.

Like other developing countries, Vietnam has been facing corruption problems in the public sector. The fight against corruption in Vietnam has progressed since the 2005 Anti-Corruption Law (ACL), but the action has not been bold and there were few visible successes from anti-corruption (World Bank 2012, p. 5). The Party and State have re-affirmed that the corruption in Vietnam has been at a serious level and is likely to have no or a little bit improvement during many years. Vietnam scored 33 points out of 100 and ranked 117 out of 180 countries and territories whole the world and 22 out of 31 countries in the Asia Pacific region on the 2018 Corruption Perceptions Index (Transparency International 2018). The World Bank (2012, p. 5) considered that the effort of Vietnam is not adequate to fight corruption effectively. The high rate of corruption in Vietnam might be a visible consequence of weak legal infrastructure, prevention mechanism or engagement of citizens (Transparency International 2019).

To address corruption, each country absorbs different anti-corruption tools such as promoting the integrity of public officials, transparency and accountability in the activities of public offices, the reform of asset declaration mechanism. Therein, “*Requiring public officials to provide lists of their assets and interests is one of the most effective means of preventing and identifying corruption*” (Jenkins 2015b, p. 4). As part of an overall anti-corruption strategy, asset declaration system for the asset and income of public officials is a powerful means to ensure the integrity of public officials and prevent their personal gain from the public good (Hong 2016, p. 5). The traditional tools against corruption, such as investigation and

prosecution are limited to explain the changes of the public officials' wealth. Therefore, asset declaration system is considered as an additional tool to monitor the asset and income of public officials in public affairs (Perdriel-Vaissiere 2012, p. 25). Asset declaration system can assist enforcement agencies in detecting and prosecuting the illicit enrichment or conflict of interest of public officials (Hong 2016, p. 6). In Vietnam, the government introduced the asset declaration system as an anti-corruption tool on the 2005 Anti-Corruption Law. The first round of declarations took place for the declaration year of 2007. The declaration system is likely to serve the detection purpose of the illicit enrichment of public officials (United Nations Office on Drugs Crime 2019b, p. 4).

Whereas Vietnam has implemented the asset declaration system in certain ways, it appears that the system is not comprehensive as it does not meet whole international standards. A range of reasons behind this might be that the lack of strong political will, the lack of comprehensive legal framework, technology deficit, and the lack of capacity of people working in enforcement and compliance. Most importantly, the main reason might be the lack of a robust legal framework. According to the 10-years implementation of the 2005 ACL and annual report of Government Inspectorate of Vietnam from 2008 to 2018, the asset declarations are less likely to be a useful tool against corruption because of limitations under the implementation of provisions in terms of asset declarations in practice. Specifically, during the period, more than one million of asset declarations disclosed within every year. However, only 4,903 asset declarations verified account for approximate 1.5 per cent of the total asset declarations in Vietnam. Therein, authorities only detected 26 cases of the untruthfulness of declarations and 70 cases of misconduct within public affairs, and no evidence concluded corruption (Government of Vietnam 2016).

As a consequence, the current legal framework on asset declaration system in Vietnam has been coping with many different limitations, which restricts the effectiveness of the system to reduce corruption. The legislation is limited on the scope and coverage of asset declarations, verification mechanism, public access and sanction for non-compliance. Specifically, the asset declaration system covers a wide range of public officials from all three branches of powers and reaching well below the senior level. The vast number of asset declarations lead to the overload of controlling the accuracy and transparency of asset declarations. In terms of the verification mechanism, verification so far is mostly focused on submission compliance. Competent authorities have the power to review the financial balance of declarations and conduct an in-depth audit. However, there is yet little if any practical experience with both steps, in particular, in-depth audits. The criteria of verification might be insufficient so the

number of verifications is little (3-5%) in total of asset declarations each year. Furthermore, declarations are unavailable to the public, neither online nor upon individual request in paper form. It is impossible for the public to detect or complaint the misconduct of public officials in public affairs. Finally, the asset declarations system merely is formalistic if sanctions are exclusively disciplinary (United Nations Office on Drugs Crime 2019b, p. 6). Although the existing legislation is likely to be suitable with the relevant guideline of international standards such as the United Nations Convention Against Corruption (UNCAC), the legislation is not optimal enough in the change of political, economic and social conditions in Vietnam.

Vietnam's system of asset declaration can be improved if the limitations of current legal frameworks on the system are addressed thoroughly. The legal framework is amended to catch up with the international standards and the change of political, economic and social perspectives under Vietnam's context. The legal framework is useful and plausible when the legal framework is derived from the intense political will with capable human resources working in enforcement and compliance. Apart from that, the e-system as the development of technology is absorbed to tackle some limitations of existing legal framework such as the weakness of verification and public access. In other words, to improve the effectiveness of Vietnamese asset declaration system in reducing corruption, the limitations of current legislation in terms of the scope and coverage, verification mechanism, public access and sanctions for non-compliance should be tackled comprehensively. Besides, the political will, technology and capacity of human sources also contribute to promoting the success of legal framework and national anti-corruption strategy by asset declaration system.

1.2. Rationale of the dissertation

In Chapter II, a review of the literature refers to the previous research of international organizations such as World Bank, the Organization for Economic Co-operation and Development (OECD), United Nations Development Program (UNDP) and many researchers regarding asset declaration system in general such as the concept and purposes of system, the elements of an effective asset declaration system. There are some critical reviews concerning the asset declaration system of some countries such as Hong Kong, Indonesia. However, the previous research has not assessed the effectiveness of Vietnamese's asset declaration in reducing corruption or reasons for the effectiveness of the asset declaration system and how can improve the effectiveness of asset declaration system. To fill the gap in the literature, this research aims to generalize main reasons for the ineffectiveness of asset declaration system in reducing corruption. The generalization is concluded from the case study of Vietnam and is

expected to become helpful lessons for other countries in which plan to improve the effectiveness of its asset declaration system in reducing corruption in the future.

1.3. Dissertation methodology

Qualitative method is applied to investigate the existing position of Vietnam's asset declaration system by using primary and secondary data obtained from various resources such as relevant legislation, journals, newspaper articles and official documents published by the Government of Vietnam and international organizations. The research objectives are to (1) analyze relevant requirements of UNCAC and good practices of Hong Kong and Indonesia in terms of asset declaration systems over the world; (2) assess the operation of Vietnam's asset declaration system following international benchmark and the practice of Hong Kong and Indonesia (3) explain why Vietnam's system is not operating effectively in reducing corruption (4) generalize the principal reasons for the ineffectiveness of asset declaration system (5) and then design policy implications as lessons for other countries to improve the effectiveness of its own asset declaration system from case study of Vietnam.

1.4. Organization of dissertation

This study reviews the current asset declaration system of Vietnam and compares the system with the relevant requirements of UNCAC and the good practices of Hong Kong and Indonesia to conclude some main reasons for the ineffectiveness of Vietnam's system. By exploring the ineffectiveness underlying Vietnam's asset declaration system, this study identify how legal, political and institutional factors can prevent an asset declaration system from achieving full effectiveness and proposes some policy implication as lessons for other countries to improve the system in reducing corruption. The implications are the reasonable changes of asset declaration legal framework regarding the scope and coverage of asset declarations, verification mechanism, public access and sanctions for non-compliance and other complementary factors including political will, technology and human resources. The changes should make suitable with both international standard, political, economic and social background and legal tradition of this country.

CHAPTER 2: LITERATURE REVIEW

Corruption is a global problem regardless of developed countries or developing countries. There are many different reasons for corruption in each country, including the weaknesses of the political and economic environment, lack of integrity, unethical habits, customs, tradition. Corruption triggers to adverse effects on multi-perspectives such as the trust of citizens on government is decreasing gradually, the national economy becomes stagnant and the number of corrupt crimes is increasing dramatically as spillover effects. To address the epidemic problem, the government of each country proposes different tools against corruption. Most of countries such as Hong Kong, Indonesia have acknowledged the asset declarations system as a useful tool to fight corruption. However, in other cases, asset declaration system is ineffective because of some constraints derived from the weak legal framework and complementary factors such as political will, technology and capacity of human resources under specific country's context. According to Burdescu et al. (2009b, p. 6), there is no single best practice of asset declaration system to absorb into all countries. The effectiveness of asset declaration system depends on the compatibility of the asset declaration system with political characteristics, legal traditions and technology and human resources working enforcement and compliance under country's context. To assess the effectiveness of Vietnam's asset declaration system, the study will examine the literature on the comprehensive understanding about corruption in international and in Vietnam's context, asset declaration system as an anti-corruption tool and the factors for the effectiveness of asset declaration system, especially from legal perspective.

2.1. Corruption is a problem

2.1.1. Definitions of corruption

The different definitions of corruption are increasingly recognized by international institutions and in academic literature from the different approaches and attention on the political significance or its social impact (Doig & Riley 1998, p. 49). According to the definition of Transparency International, corruption is a complex phenomenon that is not exclusive to the public sector but also the private sector. Corruption means that officials abuse their power in a state institution or private organization to gain private interest such as money or undue advantages (United Nations Office on Drugs Crime 2006). Similarly, Šumah (2018, p. 63) also defined corruption as the abuse of a trusted position in one of the branches of power (executive, legislative and judicial) or political or other organizations to obtain their material benefit instead of common and legal interest for the community or the public. Under Article 3.1 of the ALC, corruption means acts committed by public officials with positions of abusing

for self-seeking interests (The Vietnamese National Assembly 2018, p. 1). Basically, the definition of the Vietnamese National Assembly is consistent with the above international institutions and academic research (Jain 2001, p. 73). In this research, corruption is approached as the corrupt acts of public officials use powers delegated by the public to gain their own economic interests.

2.1.2. Causes of corruption

There is a variety of causes of public officials' corrupt acts over the world. The consideration of the common causes of corruption is essential to design more effective anti-corruption policies because an appropriate anti-corruption policy is to address corruption from its causes rather than its symptoms (Quah 2017, p. 68). The corruption is common and serious in which is significant discretion for public officials, little transparency and limited accountability for governmental governance, weak civil society institution, supervision of citizens, undeveloped independent organizations (Doig & Riley 1998, p. 49). The developing countries frequently deal with higher corruption level than the developed countries because corruption is likely to become culture and attitude of public officials in the developing countries. The common causes of corruption might be derived from the following three sets (1) the political and economic environment; (2) professional ethics and morality; (3) habits, customs, tradition and demography (Šumah 2018, p. 63).

Firstly, the political and economic environment is the most significant causes of corruption. There is a high level of corruption in countries with lower political and economic freedom. In a developing country like Vietnam, the political system usually emphasizes the loyalty of public servants rather than professional standards, which also strongly affects corruption. Moreover, the low salary of public officials also is one of the prevalent causes of public officials' corrupt acts such as embezzling properties, taking bribes. In Vietnam, the general minimum wage of a public official is 1,490,000 VND/month (approximately 65 USD/month) (Vietnamese Government 2019), which is too low to ensure basic needs for Vietnamese public officials at the moment. It is a particular reason for increasing the number of citizens who believe that corruption in the public sector is a serious or very serious problem in 2017 (Towards Transparency 2017b, p. 2). Secondly, the lack of professional ethics and deficient laws regulating corruption is also a vital reason for the emergence and spread of corruption in many countries. Vietnam is not beyond exclusion. According to a result of sociological surveys in Vietnam in 2013, erosion of public officials' ethics was a principal cause of corruption in the public sector. Therein, 87.9% of citizens agreed or strongly agreed that "*Erosion of public officials' ethics*" led to the corrupt behavior of public officials (World

Bank 2013a, p. 68). Moreover, a set of specific sanctions for non-compliance under Law on anti-corruption is weak and insufficient in practice. The provisions focus on disciplined sanctions rather than administrative or criminal offences, so law on anti-corruption is likely to be formalistic on the public officials' eyes. Most importantly, corruption is part of habit, attitude, customs and culture in many developing countries (Šumah 2018, p. 70). The negative values and norms of society can become the rationale of unethical behavior of public servants such as corruption (De Graaf 2007, p. 57). A study of Transparency International concluded that informal payments known as "*envelope culture*" became a common practice in public service in Vietnam. The envelope culture means Vietnamese citizens always prepare a small payment in cash for each official, especially in health-care service (Towards Transparency 2017a, p. 7).

Thereby, the corrupt acts of public officials might be determined by internal factors of each country. Under the scope of research, the three above factors seem the fundamental causes of the corruption of public officials in Vietnam. Owing to the low average salary, the public officials usually implement corrupt acts to gain more individual interest.

2.1.3. Consequences of corruption and ways to deal with corruption

Corruption can have many adverse effects on multi-perspectives, including politics, economy, society. Especially, the corrupt acts of public officials in public affairs impact negatively on the sustainable development of the country because the corruption makes general government expenditures or budget offers larger (Tanzi & Davoodi 1997). Corruption reduces the effectiveness of public administration and makes public goods and expenditures inefficient. The economic damage of corruption is an enormous constraint for the development of the national economy. According to the estimation of the World Economic Forum in 2013, corruption leads to the adverse effect of a considerable amount of money, which is about USD 2.6 trillion, approximately 5% global gross domestic product (GDP) (World Bank 2013a, p. 30). According to the 10-year implementation of the anti-corruption law of Vietnamese government, the financial damage resulting from corruption is more 59 trillion VND (Government of Vietnam 2016, p. 10). During ten years from 2005 to 2015, the corrupt acts of senior managers of some big state companies such as the corruption of Vinalines' Chairman of the board, which causes the damage to the national budget of nearly 400 billion VND (Le n.d, p. 4). Most importantly, the consequences of the corruption of public officials are to erode the trust of citizens in state institutions and government (Šumah 2018, p. 71)

To eliminate the adverse effects of corruption, the above-mentioned causes should be addressed by a comprehensive set of standards, measures and rules (Ziouvas 2018, p. 591).

According to a research of World Bank in 2012, there are nine anti-corruption measures. Asset declaration for public officials is one of the anti-corruption tools. Slightly more than half of the public officials believed in the effectiveness of current income and asset declaration measures. Even though the asset declaration measure consists of anti-corruption tools, whether the system contributes to high effectiveness on reducing corruption in the public sector or not, which still a controversial problem by academic scholars (World Bank 2012, p. 75). Under the scope of the research, the asset declaration system is considered as a crucial measure to reduce corruption in the public sector.

2.2. Asset declaration system is an anti-corruption tool

2.2.1. Conception of asset declaration system

There is no any specific conception regarding asset declaration system prescribed by either international organizations or academic literature. There are some different terms to describe "*asset declaration system*" such as income and asset declarations or financial disclosure. According to the research of the World Bank in 2019, the development of asset declaration systems has been global and widespread, and some regions are moving faster than others. Ninety-three percent of countries in Latin America and the Caribbean adopted asset declaration system in place; meanwhile, the proportions were about seventy-three per cent and sixty-one in Asia and the Middle East and North Africa respectively (Rossi, I, Pop, L & Berger, T 2017, p. 8). Perdriel-Vaissiere (2012, p. 25) argued that the traditional measures such as investigation and prosecution are challenging to capture the changes on the public officials' wealth, that is why asset declaration system is considered as an additional tool to combat corruption. Asset declaration system is to monitor the assets and income of public officials through the information disclosed into their asset declarations and other sources. Apart from detection purpose, the asset declaration system also seeks for preventive purpose of conflict of interest, which is an advantage of the system in comparison with the traditional measures.

Most of the previous research merely emphasized the role of the system in preventing and detecting corruption. The asset declaration system was acknowledged as a powerful tool to prevent and detect corruption through inspecting the assets and income of public officials (Burdescu et al. 2010, p. 1; Habershon & Trapnell 2012, p. 7; Jenkins 2015b, p. 4). There is no asset declaration system which is "one-size-fits-all" so each country should design their asset declaration following the expected purposes and constituent elements of its asset declaration system as goal of the anti-corruption strategy. In Vietnam, the asset declaration system is used to imply a control mechanism of public officials' income and asset declarations prescribed in related legislation such as the 2018 ACL and other Decrees.

2.2.2. Purposes of asset declaration system

The purposes of asset declaration system have become a controversial problem. Each country might operate the asset declaration system for different purposes because the purposes are designed to be suitable with political, economic and social perspectives of this country. There are two primary purposes of asset declaration system, including the preventive purpose of the conflict of interest and detection purpose of illicit enrichment (Martini 2013, p. 1).

Some countries such as Hong Kong, the USA, the UK focus on the former objective rather than the latter objective; meanwhile, other countries such as some Middle and Eastern European countries, Russia, Portugal, Argentina develop asset declaration system for dual objective (Vu, GC 2018, p. 79). The different purposes of asset declarations lead to the differences within legislation in respect of who is declarant, type of information requested, the use of that information and even the agency in charge of managing the system (Rossi, I, Pop, L & Berger, T 2017, pp. 10-1). Some developing countries such as Indonesia, Malaysia, Ukraine use the asset declaration systems for the detection purpose of illicit enrichment whereas the asset declaration systems of some developed countries such as Hong Kong, the US, the UK seek for the purpose on preventing conflict of interest (OECD 2011, pp. 28-9). Specifically, the asset declaration system of developing countries aims to detect illegal financial interest gained from misconduct or corrupt acts in public performance when the public officials could not explain the increase in their asset and income reasonably (Messick 2009, p. 7). Meanwhile, the developed countries utilize the system to prevent the conflict between the public duties and private interests of public officials (Habershon & Trapnell 2012, p. 7; OECD 2011, p. 28).

Asset declaration system is powerful anti-corruption tool, but it is also prone to disappointing results and setbacks if it is launched with overly ambitious mandates, insufficient resources, the lack of political commitment. According to the World Bank guideline, asset declaration system should be suitable with the response of the country to the corruption issues of each country (Messick 2009, p. 6). In Vietnam, there is not any law or regulations that refer to the purpose of the existing asset declaration obviously. As the prevailing trend of developing countries in which risk of corruption is high and governmental governance is weak, Vietnam's asset declaration system emphasizes to detect illicit enrichment rather than the conflict of interest. However, according to a report of Government Inspectorate of Vietnam regarding the overview of limitations of Anti-corruption Law 2005, Government Inspectorate believed that the adoption of dual purpose of asset declaration system can help to address corruption issues in both the short run and long run (Vietnamese Government 2016).

2.2.3. Legal elements of effective asset declaration system

There are some different factors for the effectiveness of asset declaration system in reducing corruption. It is difficult to determine whether the development of an asset declaration system is a product of strategic policy choices or incremental adjustments because governments rarely evaluate the effectiveness of the asset declaration system (OECD 2011, p. 101). Each asset declaration system usually presents both advantages and disadvantages (Messick 2009, p. 8). The practical implementation of an asset declaration system requires striking the right balance between having a comprehensive program and other factors such as political support, administration (an oversight body), coverage (who have to declare), public access, sanctions for noncompliance and human resources (Transparency International 2014, p. 3).

According to Mukadam et al, a successful system requires comprehensive and clearly articulated legal framework, a consistent understanding of requirements by declarants and verifiers, efficient asset declaration procedure, an effective monitoring and oversight regime and political will (Mukadam, Felton & Schulz-Herzenberg 2012, p. 23; Transparency and Accountability Initiative 2011, p. 4). Meanwhile, Abu-Morad, Noor and Ayub (2016, pp. 103-4) identified that the access for asset declarations of public officials and the comprehensiveness of declarants are two vital elements of a successful asset declaration system. Matthew Jenkins also appreciated the role of two elements, and he also identified several "*core principles*" for the establishment of effective asset declaration system. The principles derived from the necessary legal framework of the system such as the scope and coverage of the disclosure requirement, types of information to be included; verification of content; enforcement and sanction; public availability of information (Davidsen et al. 2009, p. 14; Jenkins 2015b, p. 5). Besides, Rossi, I, Pop, L and Berger, T (2017, p. 15) also emphasized the role of strong law enforcement and a functional tax system under an effective asset declaration system. Such elements should be revisited to make asset declaration system better (World Bank 2012, p. 80). Therefore, comprehensive and robust legislation is stressed as a significant element for the success of an asset declaration system to reduce corruption.

A robust legal framework is critical for an effective asset declaration system. There is not the best legislation for all asset declaration system in the world. The legislation should be compatible with legal traditions and previous experience and current corruption problems in this country. The principles of asset declaration can be prescribed in different laws such as code of conduct, conflict of interest rules or civil service or special law on asset declaration, which depends on national context (OECD 2011, p. 13; Transparency International 2014, p. 3). In Vietnam, legislation regarding asset declarations is prescribed in Section 6 titled "*Controlling*

assets and incomes of senior public officials in public offices" of the 2018 ACL (Vietnamese National Assembly 2018, p. 13). Rossi, I, Pop, L and Berger, T (2017, p. 9) also acknowledged that the legislation on asset declaration is significant to reduce corruption, but the provisions of the framework have not always contributed to effective asset declarations system because of a huge gap between systems "in law" and "in practice". According to Transparency International's National Integrity Systems Survey, there are some common aspects of the asset declaration laws of various countries. Approximately 70 percent of low-income countries and 100 percent of high-income countries have legislation in respect of the asset declaration of public officials. The legislation of these countries usually mandates who are declarants, criteria of verification, public access and applicable sanctions (Chêne 2011, p. 4; Mukherjee & Gokcekus 2006, p. 325). The limitations of the legal element might lead to the ineffectiveness of the asset declaration in anti-corruption (Chêne 2011, p. 5). Therefore, to have a powerful and successful asset declaration system, the government should pay attention to the constituent elements of legislation as follows.

2.2.3.1. Scope and coverage of asset declarations

The comprehensiveness of the asset declaration system refers to who are declarants, which kind of their asset and incomes need to be disclosed. According to UNCAC guideline (Article 8, paragraph 5), public officials have obligation to disclose their outside activities, employment, investments, assets and substantial gifts or benefits from a conflict of interest (United Nations Office on Drugs Crime 2006). The scope is wide because of a huge number of lower-level public officials who have to disclose their asset and income (Messick 2009, p. 11). The asset declaration system requires tremendous resources to collect declarations, verify the information, and analyse and determine what action should be taken. In this connection, Mukherjee and Gokcekus suggested that the scope of asset declarations should focus on senior public officials who have the high risk of corruption (Gokcekus & Mukherjee 2006, p. 23). Some countries in which asset declaration system seeks to prevent conflict of interest, public officials are required to declare assets of relative persons such as spouse, children (Burdescu et al. 2009b, p. 97). However, the scope of asset declaration system is difficult to apply in developing countries in which the financial transaction between the public officials and his or her relative persons is a common phenomenon. The information required to disclose is necessary to prevent and detect the concealment of illegal wealth and conflict of interest in the public sector. Therefore, determining the scope and coverage of system is crucial stage to control the asset declaration of public officials (Messick 2009, p. 2).

2.2.3.2. Verification mechanism of asset declarations

An asset declaration system could be formalistic and ineffective without an effective verification mechanism (Chêne 2011, p. 5). Identifying corrupt acts of public officials is not the primary objective of verification. However, some declarants deliberately omit information about their assets or income in their disclosures because they might represent proceeds of corruption, or they misrepresent their interests in the private sector to hide conflicts of interest. Thus, the verification procedure is designed to detect false statements, unjustified variations of wealth; illicit enrichment; potential and actual conflicts of interest; incompatibilities between an officials' mandate and other positions (Rossi, I, Pop, L & Berger, T 2017, p. 67). If asset declaration system lacks verification procedure for the public officials' asset declaration, the system will collect a large amount of useless information with little connection to reality (OECD 2008, p. 15). Therefore, verification is an essential part of asset declaration system and at the same time one of the most laborious parameters to implement (Burdescu et al. 2009a, p. 42). To verify the asset declarations of public officials, verifiers need to determine the criteria of verification such as contingency, high-risk positions, red flag; how to verify asset declarations such as cross-check and compare over time.

2.2.3.3. Public access to asset declarations

Public access is the available approach of the public to asset declarations disclosed by senior public officials. In other words, public disclosure allows the public access to the information related to asset and income of public officials declared on asset declarations (Van Aaken & Voigt 2011, p. 20). The approach might consist of different measures such as online database, official website or place in which declarants live or work. Public access is a key to an effective asset declaration system. The public access helps to diminish the potential abuse of public officials for private interest. According to Djankov et al. (2010, p. 13), there is an association between low corruption perception and countries practice of public disclosure. However, he also argued that the association might not be universally applicable. For example, Singapore has no public access to asset declaration but the level of corruption is low (Djankov et al. 2010, p. 13). In fact, the information related to the asset and income of public officials can be exploited and disclosed by media, the information is rumored about public officials (Burdescu et al. 2009b, p. 104). Therefore, it is necessary to trade off the public interest with personal rights. Many asset declaration systems attempt to limit some personal information of public officials disclosed publicly such as the location of the property owned by the public officials and the size of the land. By contrast, keeping the confidentiality of public officials' asset declaration can lead to hiding of asset and income of public officials (Messick 2009, p. 10).

2.2.3.4. Sanctions for non-compliance

Sanctions on asset declaration system are to ensure asset declaration on time and in the appropriate form and to detect the failure and infringement of public officials. In some countries like Vietnam, Indonesia, the sanctions for non-compliance merely include disciplinary sanctions; meanwhile, in some developed countries, criminal and administrative sanctions become principal sanctions to enforce the compliance of public officials in disclosing their asset and income. Therefore, the sanctions are a useful manner to prevent the infringement of public officials on their assets and income disclosure. A set of sanctions under each asset declaration system might be different because it is designed to address the specific challenges within national context (Rossi, I, Pop, L & Berger, T 2017, p. 105). Chêne and Kelso (2008, p. 2); Rose-Ackerman (2010, p. 11) identified that the effective asset declaration system could not lack a strong set of sanctions. The heavy punishment for non-compliance has a collaboration with a lower level of corruption. Most asset declaration systems in the world tailored sanctions for non-compliance on disclosure forms, but very few systems have strong criminal offence for the failure statement of public officials.

2.3. International standards and good practices

2.3.1. History of international asset declaration system

Many international organizations referred to asset declaration system as a useful tool to reduce corruption under their own materials. The international organizations suggested that each country should design some domestic regulations in terms of asset declaration system based on the guideline of international organizations. The first regulations of asset declarations have been introduced since the 1970s. Apart from the Inter-American Convention against Corruption (1996), other different conventions such as the UNCAC, OECD Convention, Asia-Pacific Economic Cooperation (APEC) Course of Action on Fighting Corruption and Ensuring Transparency put forward the common guideline or requirements to design a useful and comprehensive asset declaration systems for state parties.

Therein, UNCAC was likely to be the most significant material to guide state parties against corruption from legal perspective. According to this convention, the inclusion of asset declarations is to enhance transparency. The asset declarations under UNCAC is considered as legislation for public officials. Specifically, UNCAC becomes a genuine basis for countries to identify, track and recover assets (Rossi, IM, Pop, L & Berger, T 2017, p. 8; Transparency International 2014, p. 2). Recognising the potential of asset disclosure systems, the 2003 UNCAC agreement stipulated that all signatories should establish mechanisms to compel public officials to report *"to appropriate authorities (...) their outside activities, employment,*

investments, assets and substantial gifts of benefits" (Jenkins 2015a). Besides, APEC also proposed to strengthen measures to prevent and fight corruption and ensure transparency effectively. The measures are to develop and implement appropriate public financial disclosure mechanisms (The United States Office of Government Ethics 2011, p. 1). Nine economies designed the system to prevent and monitor the giving of inappropriate gifts (APEC 2012, p. 4). From the purposes of system, each country prescribed respective legislations in respect of (1) which is the position coverage of asset declaration system; (2) how to verify the accuracy of asset declarations; (3) how citizens can access the asset declarations of public officials and (4) which sanctions should be applied to promote the compliance of public officials.

Although the development of asset declaration systems has been global and widespread, some regions or countries are moving faster than others. Growth trends are often dictated by the strength of domestic commitment to prioritizing anti-corruption measures including financial disclosure system (Rossi, I, Pop, L & Berger, T 2017, p. 8). The above-mentioned international conventions have become rationale so that each country can design an asset declaration system, together with analysing the historical, political, economic and social context of this country. Therefore, there is no specific international standards detailing how disclosure regimes are best for any country (Jenkins 2015a, p. 4). The study considers UNCAC as a rationale to determine the effectiveness of asset declaration system of Vietnam under a legal perspective.

2.3.2. Background to the case studies

Each country has cultural, social, economic, political, legal differences, which results in setting different purposes for asset declaration systems (Rossi, I, Pop, L & Berger, T 2017, p. 7). Although the analysis of asset declarations in both developed and developing countries provides a basis for identifying trends and policy issues, it is not sufficient to develop any uniform recommendations, which would apply to all countries (Messick 2009, p. 16; Transparency and Accountability Initiative 2011, p. 11). Certain aspects of asset declaration systems should be identified as policy implications for where countries need to pay special attention when designing their national systems (OECD 2011, p. 12). However, every experience can provide valuable insights to assist policymakers in thinking through appropriate strategies for meeting the purpose of their asset declaration system (Aibaeva et al. 2013, p. 16; Habershon & Trapnell 2012, p. 18). Hong Kong and Indonesia have valuable efforts in anti-corruption in Asia, which is proven by the Corruption Perception Index reported by Transparency International and the results of implementation on asset declaration system and other indicators. These two countries are good practices to face challenges in preventing and

detecting corruption by asset declaration systems (Aibaeva et al. 2013, p. 16; Habershon & Trapnell 2012, p. 18).

2.3.2.1. Hong Kong

Hong Kong is a successful country in switching the widespread corruption to clean government. The success of Hong Kong can be reflected in Table 1, which confirms that Hong Kong's corruption level is lowest in 3 countries (Quah 2017, p. 22)

Table 1: Three countries Performance on Corruption Indicators, 2017

Indicator	Hong Kong's Performance	Indonesia's Performance	Vietnam's Performance
Control of Corruption	1.61 (92.31)	- 0.25 (48.08)	-0.58 (31.73)
Corruption Perceptions Index	13th/176 (77/100) 0 is highly corrupt; 100 is very clean	96 th /176 (37/100)	107 th /176 (35/100)
PERC Corruption Survey	4 th /16 (3.67/10) 0 is the best grade possible and 10 is the worst	7.63 (15/16)	7.16 (14/16)
Diversion of Public Funds	11 th /138 (5.67/7) 1= very commonly occurs; 7= never occurs	41 th /138 (4.19/7)	61 th /138 (3.68/7)
Irregular Payments and bribes	9 th /138 (6.33/7)	75 th /138 (3.82/7)	109/138 (3.10/7)
Organized Crime	26 th /138 (5.60/7) 1= to a great extent; 7= not at all	101/138 (4.19/7)	69/138 (4.89/7)
Ethical Behavior of Firms	15 th /137 (5.55/7) 1 = extremely poor-among the worst in the world; 7= excellent	42 th /137 (4.27/7)	81 th /137 (3.67/7)
Public Trust in Politicians	18 th /137 (4.78/7) 1= extremely low; 7= extremely high	42 th /137 (3.7/7)	46 th /137 (3.55/7)

Source: www.tcddata360.worldbank.org; www.transparency.org

According to the Corruption Prevention Department of Hong Kong's Independent Commission Against Corruption, there are three reasons of corruption in Hong Kong including the delay in the performance of public officials, insufficient publicity, the lack of supervision or accountability (Quah 2011, p. 17). In front of the reasons for corruption, Hong Kong attempted to design a sound integrity system with four strengths to address the causes of corruption. These strengths include (1) a strong political will to curb corruption; (2) a common integrity framework for public officials; (3) a vibrant civil society with independent media and non-government organizations; and an independent anti-corruption agency with a comprehensive anti-corruption program (Quah 2011, p. 264). Besides, Hong Kong's asset declaration system also is acknowledged as one of the successful systems in reducing corruption. The asset declaration system of Hong Kong focuses on the purpose of preventing potential conflict of interest with the declarants' duties (Aibaeva et al. 2013, p. 110)

2.3.2.2. Indonesia

In Indonesia, the Corruption Eradication Commission has achieved remarkable success in anti-corruption (OECD 2011, p. 24). From 2010 until now, the score of Indonesia's Corruption Perception Index has an upward trend, which means that the corruption in Indonesia is decreasing remarkably. Since 2012, the Corruption Perception Index of Indonesia is higher than that of Vietnam because of the strong commitment of state leaders in reducing corruption. First and foremost is the political will reflected through the resignation of President Soeharto in May 1998 that *"Indonesia's political system has become more democratic"*. The democratization has strengthened the national anti-corruption strategy by promoting the role of civil society in supervising the performance of public officials (Quah 2011, p. 351). There are some causes of corruption, including no tradition of meritocracy; low salaries *"there is not a single official who can live by his government income alone"*; poor law enforcement/punishment or lack of moral. 20.5 percent of public officials emphasized poor law enforcement/ punishment, while 18.3 percent of the business firms and 19% percent of the household identified lack of morals (Quah 2011, p. 369). Since 2015, the Corruption Eradication Commission has focused on establishing the regime and the capacity for managing the wealth-reporting system and on building compliance among public officials required to submit their asset and income declarations timely, honestly and accurately (World Bank 2013b, p. 129). The primary objective of Indonesia's asset declaration system has stressed the prevention of illicit enrichment.

The previous research referred to the fundamental issues concerning corruption and asset declaration system, the elements of an effective system as well as good practices in anti-corruption. Most importantly, the above review identified that the legal framework is a significant element under the asset declaration system. The asset declaration system cannot run effectively if the legislation for asset declaration system is weak. The essential elements of asset declaration system's legislation include the scope and coverage of the system, verification mechanism, public access and sanctions. The limitations of these legal contents are principal causes for the ineffectiveness of the system in reducing corruption. However, the previous research did not assess whether the current system of Vietnam is effective to reduce corruption or not; meanwhile, Vietnam has been one of the state parties of UNCAC since 2009 and the system also is acknowledged as an anti-corruption tool in Vietnam. This is a significant gap in the previous research. Therefore, this study attempts to fill up the gap by assessing the effectiveness of Vietnam's asset declaration system based on the comparison international benchmark and the practice of Hong Kong and Indonesia and then explaining the legal, political, and institutional factors that contribute to this ineffectiveness.

CHAPTER 3: THE SITUATION IN VIETNAM

The legal framework plays a significant role in the success of a policy. A strong legal framework helps to improve the effectiveness of asset declaration system in reducing corruption. From the legal perspective, this chapter focuses on filling up the gap of previous research by analyzing and assessing the current system of Vietnam based on comparison with international standard and case studies of Hong Kong and Indonesia. Thereby, the study concludes whether Vietnam's system is effective to reduce corruption in Vietnam's context or not. Finally, from the challenges and limitation of current system the study explains some reasons for the ineffectiveness of asset declaration system in practice.

3.1. Background

Asset declaration system has been a significant measure to anti-corruption in Vietnam since 2005. The role of asset declaration in anti-corruption has been acknowledged by both the Communist Party and Government of Vietnam. The legal framework of asset declaration system was amended to be more suitable with the political, economic and social conditions in Vietnam and requirements of UNCAC. Initially, the asset and income declaration system of Vietnam was issued under Ordinance on Anti-Corruption in 1998 by the National Assembly Standing Committee. Article 14 of Ordinance prescribed that *"the senior public officials shall disclose their houses, real estate and other high value assets. The declarants shall declare honestly, accurately and have a legal responsibility of the content of asset declarations"*. After the legislation, the assets declaration mechanism was amended on the 2005 and 2018 Anti-Corruption Law. Although the asset declaration system was regulated on the 1998 Ordinance, the system was implemented actually from 2007 when the first version of Anti-Corruption Law was issued in 2005. Until now, the assets and income declaration system are operated to require the asset and income disclosure of senior public officials in Vietnam.

To be more specific, Vietnam introduced the first asset declarations system in 2005 as part of ACL under Section 4 *"Transparency of Properties, Incomes"*. Two Decrees served the implementation of the Anti-Corruption Law, which are Government Decree 37/2007 of 9 March 2007 on Asset and Income Transparency; and Government Decree 68/2011 of 8 August 2011 on Amending and Supplementing some Articles of the Government Decree 37/2007/ND-CP of 9 March 2007. The ACL of 2005 was amended in 2012 by Law 27/2012QH13 on Amending and Supplementing some Articles of the ACL. Furthermore, one more time, the implementation of asset declaration system also has been paid attention of Party and Government. In 2018, the Parliament issued a new anti-corruption law in which the asset

declaration system has some amendments to address the limitations of the system under previous law. The current declaration system is based on three previous legislation including the Government Decree No.78/2013/NĐ-CP of 17 July 2013 on Transparency of Assets and Income, Directive No. 33-CT/TW of the Politburo on strengthening the Party's leadership in the declarations and control of asset declarations and Resolution No.126/ND-CP dated on November 29, 2017 on the Government's plan on the implementation of anti-corruption until 2020. According to the 2018 ACL, asset declaration system is one of the anti-corruption methods prescribed on Section 6 "*Asset and income surveillances of an officeholder in state organizations*" under Chapter II "*Prevention of corruption*".

The first round of declarations took place for the declaration year of 2007 by the purpose of monitoring the illicit enrichment of public officials (United Nations Office on Drugs and Crime 2019, p. 4). However, during the first few years, the implementation of asset declaration system had some constraints in practice such as the awareness of related organizations are inconsistent, and the implementation is slow and uneven. Therefore, the Government designed a new asset and income declaration system to promote the guidelines, surveillance in terms of asset and incomes declaration system in theory and practice. The results of the asset declaration system are collected from 2008 to 2018 as Table 2 (Pham 2012, p. 50)

Table 2: The results of Vietnam's asset declaration system from 2008 to 2018

Criteria	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
The number of declarants who disclosed the first time	394,987	388,040	105,070 (97%)	135,482 (96.3%)	129,606 (98.2%)	104,326 (98.8%)	1,008,949 (99.6%)	99,5%	1,004,231	1,113,442 (99.8%)	1,136,902 (99.8%)
The number of declarants who disclosed the change of their asset and income	-	238,455	514,524 (96%)	585,441 (97.7%)	516,829 (97.6%)	472,975 (95.6%)	-	98.3%	-	-	-
Verification		606	788	-	2,184	-	1,225	1,225	414	78	44
Public access				-	18.7%	370,650 (64.2%)	998,897 (98.4%)	98.3%	993,127	1,111,818 (99.8%)	1,134,685 (99.5%)
Sanctions				3 disciplinary cases, 9 cases of late declarations	2 cases of dishonest declarations	58 cases of late declarations	4 cases of dishonest declarations	5 case of dishonest declarations	-	5 cases of infringement	6 cases of infringement

Source: Vietnamese Government's Anti-Corruption Reports from 2008 to 2018

3.2. The legal framework of current Vietnam's asset declaration system

Each asset declaration system exhibits both strengths and weaknesses. The effectiveness of a system is acknowledged when the strengths of the system outweigh its weaknesses. Under the study, the pros and cons of the system are considered from the legal perspective of the system, including the coverage and scope of content, verification, public access of system and sanctions for non-compliance.

3.2.1. Scope and coverage

The scope and coverage of asset declaration system in Vietnam refer to the following issues (1) the subject of system; (2) the content of asset declarations. In terms of the subject of asset declarations, according to Article 34 of Anti-Corruption Law, there are four groups of individuals required to declare their assets and income, including a huge number of officials; commissioned officers of police and military forces, career military personnel; holders of positions of deputy managers and above in public service agencies, state-owned enterprises, appointed representative of state capital in enterprises; nominees for the National Assembly delegates and the People's Councils delegates (Vietnamese National Assembly 2018, p. 15). The coverage of entities under the 2018 anti-corruption law is more comprehensive than that under the previous ACL. Apart from officials, the state-owned enterprises, appointed representatives of state capital in enterprises and Nominees for the National Assembly delegates and the People's Councils delegates also have obligation to declare their asset and income. In 2019, the number of declarants is estimated total of 3,000,000 declarants which is about three times as many as that under previous law (Pham 2012, p. 50).

However, the number of asset declarants under the current legal framework is really huge and therefore the asset declarations of some subjects are unnecessary. It is likely to be impossible to investigate honesty, the accuracy of all asset declarations disclosed by a considerable number of public officials. From a theoretical perspective, the higher the position in the public sector is, the higher the risk of corruption is, but not all position of public officials need surveillance from competent authorities. The inequality of certain positions is treated equally. For instance, the head of a public high school in a big city such as Hanoi has much higher opportunity for corruption than the ahead of a rural school in a poor province such as Ha Giang. The inspection for the asset and income of the head of high school in Ha Giang is unnecessary because his ability to conduct corrupt acts is at zero (United Nations Office on

Drugs Crime 2019b, p. 6). By contrast, according to the results of Vietnam's asset declaration system (Table 2), there is an upward trend of the number of who required to disclose their asset and income from 2008 to 2018. In 2018, the number of declarants was 1,136,902 people (about 99.8%); meanwhile, the number of public officials whole of Vietnam was about 2,600,000 people. Therefore, the number of declarants is excessive to ensure the effectiveness of asset declaration system. On the other hand, some researchers argued that every public official in Vietnam should disclose their asset and income because most corrupt acts of public officials are petty. All public officials have an obligation to disclose their asset and income when they are recruited to work in the public sector, which is a good measure against corruption in Vietnam. However, the shortage of human and financial resources also become a constraint for the effectiveness of asset declaration system in operating the huge number of asset declarations in practice (Tang 2019, p. 2). In terms of the content of asset declarations, according to existing legislation (Article 33 of the 2018 ACL), the declarants shall disclose their assets and income changes, the assets of their spouses and minor children apart from their assets and income. The declaration is a controversial issue in practice because it is difficult to catch the assets of their spouse and children exactly. Moreover, the assets of public officials might be transferred to others such as independent children, parents, sister, brother, partner and so on. Therefore, in this case, it is a challenge to monitor the assets and income of public officials. For example, a 20-year-old girl is the owner of a super luxury villa. The giant property of this girl leads to the curiosity of the public whether the property results in transferring assets of a senior public official or not (Nguyen 2019, p. 7). The example reflects a loophole of the current legal framework when the senior public officials shall not disclose their assets transferred into the asset of this girl. As a consequence, the control of assets and income of public officials requires a comprehensive measure from anti-money laundering, management in transferring assets, money to the reform of management tools such as tax, bank, real-estate and so on.

Moreover, apart from assets, senior public officials shall disclose their income as well. The current legislation in Vietnam is difficult to ensure the honesty of assets and income declarations because there is a big gap between net income and actual salary of public officials. The income of public officials is their wage. The highest wage level is not over 16,000,000/month VND (approximately 690 USD). The Vietnamese public officials might earn money from other financial resources such as from the research project, the participation at conferences, teaching, the investment of stocks, the bonus at holidays, and so on. As a consequence, the control of assets and income of Vietnamese public officials is complicated in

practice. In 2012, Government Inspectorate of Vietnam and World Bank conducted social research (under the direction of Prime Minister in Document No. 4279/VPCP-KNTN of June 28, 2011) on approximately 2,000 public officials in ten provinces and five ministries in Vietnam. The result of the social survey identified that 79% of the public officials have other income resources beyond monthly wage and the bonus with wage, 20% of public officials have not this one and 1% of public officials does not answer this question. Within other incomes resources beyond wages, 60% of the financial resources is saving-money from fixed-rate spending, more 50% of income is a bonus from conferences, 5% of income is divided from interest and fund of their offices, less than 5% of the money is donated and 40% for other sources (World Bank 2012). Even though 2,000 public officials participated in the research are not adequate to represent the total number of public officials in Vietnam, the results research reflected the actual income of Vietnamese public officials. The income resources beyond wage are diversity, and some of them are sensitive resources such as interest, a bonus from the funds of their offices and gift, which are considered as corrupt resources in some specific cases (Pham 2012, pp. 45-9). According to Article 35 of the 2018 ACL, the following assets and income shall be declared (a) land use rights, houses, construction works and other property attached thereto; (b) precious metals, gemstones, cash, financial instruments and other real property each of which is assessed at 50.000.000 VND or above; (c) overseas property and accounts; (d) total income between 02 declarations. Even though the assets and income required to disclose in the asset declaration of public officials are pretty adequate and specific but some assets and income might be not declared including gift, bonus, money rent for house, interest, inheritance. Any income should also be declared to avoid the hide of illegal income and asset.

3.2.2. Verification

Article 19 of Decree 78/2013 provides the following objective: “*The verification of assets and income is about the truthfulness, sufficiency, clarity, and punctuality of the information about the quantity, value of assets, incomes, description of assets and income, variation in assets and explanation for such variation, origins of additional assets, and other relevant information in the Declaration made by the declarant*” (United Nations Office on Drugs Crime 2019b, p. 13). Thereby, the verification mechanism merely focuses on checking the compliance within the asset declarations of public officials rather than detecting and fighting the corrupt behavior of public officials. According to Article 41 of 2018 ALC, verification of asset declarations is only implemented under a procedure while there is one of

the following signs (a) There is a clear sign of untruthful disclosure of assets and income; (b) There is an increase of at least VND 300,000,000 (approximately USD 12,939) in the property or income compared to the previous declaration and the declarant fails to provide a reasonable explanation for such increase; (c) There is information about untruthful declaration of assets and income as prescribed by Law on Denunciation; (d) Inspection of assets and income of a randomly selected individual under the annual inspection; (e) The inspection is requested or proposed by a competent authority specified in Article 42 of ALC (Vietnamese National Assembly 2018). The basis is broadened to avoid the omission from failures of public officials on asset declarations. Especially, the verification is conducted not only when having the sign of false declaration, the complaint and requirement of state bodies but also following a contingency. It means that authorities select randomly the asset declaration of any senior public officials to verify. The terms lead to controversial arguments of different scholars. Some researchers argue that a specific percentage of asset declarations are verified on the total number of asset declarations required each year and then after certain years, all asset declarations are verified to detect the corrupt behaviour of public officials. Other researchers consider that authorities should verify the assets and income declarations of some senior public officials who have a high position in public sector owing to the shortage of human and financial resources. Another justification is that verification should be conducted on the public officials of specific industries such as tax, customs in which the risk level of corruption is high. The criteria of verification need to avoid rampant, chasing numbers. These should be based on the existing resources of asset and income control authority so that the verification does not become formalistic, ineffective, time-consuming and costly (Nguyen 2019, pp. 2-4). The verification merely is effective to promote the integrity and transparency of public officials while the verification mechanism is good enough.

After two first steps of flow chart, including submission compliance and formal check, the responsible agency asks the declarant for an additional explanation. According to Article 17.1 of Decree 78/2013, if the officials cannot explain the increase or variation of their asset and income during the required period plausibly, the authority will verify the asset and income of public officials through comparing the declaration with a range of information sources. There is not any formula for financial balance under the legal framework under the asset declaration system of Vietnam (United Nations Office on Drugs Crime 2019b, p. 15). There is yet little if any practical experience with verifications. The total of reportedly 17 cases of detected hidden assets in relation to a total of 10 million declarations collected so far appears to support this finding (United Nations Office on Drugs Crime 2019b, p. 17).

In practice, according to data from 2008 to 2018 (table 2), the number of asset declarations verified by authorities was 4,903 cases and there was a downward trend of the number of asset declarations verified during the period from 606 cases in 2009 to 44 cases in 2018. The verification detected no one case of corruption. Most of the verification is conducted after the assets and income declaration is published in the offices of declarants or authorities receive the denunciation of the public in terms of the dishonest declarations of public officials. Take the case of the director of the Department of Natural Resources and Environment in Yen Bai province as an example. In this case, inspectorate merely verified and concluded the dishonest declaration of the director after the denunciation of the media source about the super-luxury villa of the director. To explain the origin of this asset, the director told that the assets were derived from inheritance in 2016 and his effort at previous jobs (Pham 2012, pp. 53-4).

3.2.3. Public access

The declarations are read out or temporarily posted in the working environment of the declarant. Posting of declarations is done “*after the personnel department finishes examining them [...] and before 31 March of the next year for 30 consecutive days*” according to Article 13 of the Decree 78/2013. This aside, there is no availability under freedom of information legislation to citizens or the media. The responsible authorities can access the declarations; however, locating the declarations properly can be a challenge, in particular, if they are stored at earlier workplaces of the declarant (United Nations Office on Drugs Crime 2019b, pp. 24-5). In fact, under the legislation of public access does not have any change in comparison with the previous law. The assets and income declarations merely are announced at the declarants’ workplace or during confidence voting or meeting of the Board of members (The Vietnamese National Assembly 2018). The poor public access limits the participation of citizens in supervising the performance of public officials, which prevent the goals of asset declaration system from fighting corruption. The current public access is a crucial limitation of asset declaration system in Vietnam. According to the data collected in Table 2, the percentage of asset declarations disclosed at the workplace has been increasing significantly from 18.7% in 2012 to 99.5% in 2018. However, there is not any relationship between the high number of asset declaration posted and the effectiveness of asset declaration system. Instead of that, the effectiveness of the system is subject to the method of public access.

3.2.4. Sanctions for non-compliance

ACL solely foresees disciplinary sanctions for public officials for declaration violations. These sanctions appear too vague and even lenient when the cost and benefits of

rent-seeking are weighed against each other (Davidsen et al. 2009, p. 16). According to the results of Vietnam's asset declaration system from 2008 to 2018 (Table 2), although the asset declaration system has regulated since 2008, the system merely detected few infringements from 2011. Specifically, there were 6 cases of detected hidden assets within 44 cases of verifications under 1,136,902 cases of asset declarations disclosed in 2018. This number appears to be rather small in relation to a total of 10 million declarations collected so far. With illicit enrichment, the unethical public officials have to suffer the reprimand, a warning or dismissal, salary cut or demotion which depends on the level of infringement and the type of declarants such as senior official, official, civil servant or person working in a state-owned enterprise or a person working in an agency or a unit of the army or the police. Criminalizing illicit enrichment is a controversial issue in revising asset declaration system in the future. The main challenge that the offence would shift the burden of proof to the declarants (United Nations Office on Drugs Crime 2019b, p. 23).

3.3. Comparison with international standard

The effectiveness of asset declaration system in Vietnam is partially identified through the comparison with a key international standard prescribed under the United Nations Convention Against Corruption (UNCAC) because Vietnam is one of the state parties signed the UNCAC, which is a legally international anti-corruption instrument. UNCAC prescribed two articles in terms of asset declaration system, including Articles 8 paragraph 5 and Article 52 paragraph 5. The study compares the current legislation of the asset declaration system of Vietnam with two articles of UNCAC.

According to Article 2 of UNCAC, the public officials include any person holding a legislative, executive, administrative or judicial office (United Nations 2004, p. 7). The article 8 paragraph 5 requires states parties to consider establishing measures and systems requiring public officials to *"make declarations to appropriate authorities regarding, inter alia, their outside activities, employment, investments, assets and substantial gifts or benefits from which a conflict of interest may result with respect to their functions as public officials"*. Thereby, the subjects of asset disclosure are likely to cover all types of public officials. Meanwhile, declarants under Vietnam's asset declaration system are divided into four groups including who worked as officials; commissioned officers of police, military forces, career military personnel; deputy managers and above in public service agencies, a state-owned enterprise, appointed representatives of state capital in enterprises; and nominees for the National Assembly delegates (Vietnamese National Assembly 2018, p. 16). Therefore, who have obligation to

disclose their asset and income under Vietnam's current system is suitable with the respective regulation of UNCAC, including all of the public officials working in three branch powers of the state.

However, the subjects of Vietnam are wider than the subjects following the requirement of UNCAC. More specifically, the state-owned enterprise and the representatives of state capital in enterprises also shall disclose their asset and income. The regulation is suitable with Vietnam's context because nowadays, the number of state enterprises are 100 enterprises according to the information provided by Planning and Investment Ministry of Vietnam at a forum namely *"Promoting reform and enhancing the effectiveness of state enterprises"* organized in 2018. Furthermore, the corruption level of state-owned enterprise is serious during recent years, so the group of public officials cannot be beyond the control of the asset declaration system. In contrast, the requirement to disclose the asset and income of the officers in the groups might be a significant cause for the overload of asset declaration system in Vietnam because of the shortage of staffs in anti-corruption agencies. The asset declaration system, therefore, is challenging to gain the expected goal to reduce corruption.

The second comparison regarding the objectives of asset declaration system, Article 52 paragraph 5 requires states parties to establish effective financial disclosure systems for appropriate public officials and provide for appropriate sanctions. (Hong 2016, p. 35). UNCAC requires public officials to make declarations about their outside activities, employment, investment, assets and substantial gift or benefits. The regulation of UNCAC is likely to seek more to prevent conflict of interest rather than detecting illicit enrichment because the UNCAC requires public officials to declare their outside activities, gifts, benefits. Meanwhile, the current system of Vietnam focuses on the latter purpose so what to declare under the system of Vietnam is tangible properties and income of public officials. In Vietnam, the method of preventing conflict of interest is prescribed as another anti-corruption tool. Therefore, in comparison with the respective regulation of UNCAC, the regulation in respect of the objectives of asset declaration system of Vietnam has a loophole that leads to the ineffectiveness in preventing and detecting corrupt behavior of public officials in Vietnam. The outside activities and gift, benefits of public officials should be declared to promote the effectiveness of the system. Furthermore, Article 52, paragraph 5 of UNCAC also required that state parties shall provide for appropriate sanctions. The legislation of Vietnam has met the requirement of UNCAC by designing the enforcement for the dishonesty of public officials in asset and income declarations.

From the above analysis, the legal framework under the asset declaration system has amended to be more suitable with Vietnam's context. The legal framework could meet basic requirements of UNCAC regarding the scope, verification of system and sanctions but not meet the requirement regarding the what information should be declared. The legislation helps detect the dishonesty or failure of asset declarations. However, the effectiveness of the legislation is not high in practice because the system merely detects a few dishonest cases instead of the corrupt acts of public officials. Therefore, Vietnam's current asset declaration system is likely to be ineffective to reduce corruption from the comparison with the relevant guideline of UNCAC.

CHAPTER 4: THE SITUATION IN HONG KONG AND INDONESIA

4.1. Good practices

Hong Kong SAR, Indonesia and Vietnam are Asian countries and also are members of APEC and UNCAC that proposed a public financial disclosure mechanism as an effective measure to prevent and fight corruption and ensure transparency. Therefore, as a mission of state parties, these countries are required to consider and comply with the requirements of both UNCAC and APEC in terms of financial disclosure mechanism.

The efforts of Hong Kong and Indonesia in anti-corruption are acknowledged by international communities such as Transparency International, World Bank, UNDP, OECD. Specifically, Hong Kong has a long history of successful battling corruption that began with a comprehensive anticorruption system in the 1970s. It is now regarded as one of the most effective systems in the world. During consecutive years, the corruption level in Hong Kong is low. The corruption index in Hong Kong averaged 78.25 points from 1995 until 2018 reported by Transparency International. The point is 2.8 times as high as the Vietnam corruption index. Hong Kong established a successful asset declaration system by selective scope and coverage, and strict sanctions for non-compliance. Meanwhile, Indonesia has remarkable success and efforts in anti-corruption, especially by asset disclosure system. As national members of G20 countries, Indonesia has promoted the effectiveness of asset disclosure system to reduce corruption by comprehensive verification, available public access. The comparison with Hong Kong and Indonesia's asset declaration system is considered as a rationale to explain why Vietnam's system is ineffective to reduce corruption in practice.

4.1.1. The legal framework of Hong Kong's asset declaration system

Hong Kong is regarded as one of the most effective systems in the world in anti-corruption. In this country, the Civil Service Bureau is in charge of asset declaration and the system is implemented by individual agencies within the government while the Independent Commission against Corruption provides advice and assistance on asset declaration policies to the Bureau and individual agencies (Barnes 2013, p. 97). The asset declaration system of Hong Kong is designed to prevent conflict of interest rather than detecting illicit enrichment. The operation of the system requires collaboration among the Bureau, individual agencies and individual filers.

4.1.1.1. Scope and coverage

There are three tiers of employees who have obligation to disclose their asset and income. Tier I includes key government positions, including permanent secretaries, the

commissioner of the Independent Commission against Corruption, the commissioner of police, and the commissioner of Customs and Excise. *“Tier II posts include administrative assistants who support Tier I posts, all director posts, and any other posts designated by permanent secretaries according to their risk of exposure to potential conflicts of interest. Tier III posts include all other positions in the government. The different tiers shall disclose their asset and income following different level of disclosure”* (Barnes 2013, p. 97). Specifically, *“Tier I officials are required to disclose both international and domestic investments, real estate, partnerships, and membership on company boards. Tier II declarations are focused on financial interests in companies. Tier III officials are not required to declare their assets regularly but are required to disclose potential conflicts of interest”* (Barnes 2013, p. 98). Therefore, the coverage of information disclosed by the declarants of all three tiers is considered as rationale to prevent conflict of interest as the main purpose of Hong Kong’s system.

4.1.1.2. Verification

In Hong Kong, neither the Civil Service Bureau nor the Corruption Prevention Department actively verifies the accuracy of submitted asset declarations. It implies that the verification mechanism is not applied frequently on all asset declaration files. The verification of information merely is conducted when competent authorities requires the verification for investigation purpose and when a complaint for the infringement of public officials has been raised. Although the declarations are not verified for accuracy of submission, the verifications are analysed to determine whether the declarants have a conflict of interest, which is the primary purpose of the asset declaration system in Hong Kong. The Corruption Prevention Department recommends that departments create and publish internal use to remain the effective and efficient asset declaration system (Barnes 2013, p. 109)

4.1.1.3. Public access

Asset declarations of all Tier I officials are required to be available to the public. By contrast, the declarations of Tier II officials are confidential. Requestors must come into the Civil Service Bureau to view the original declaration and only the copies of asset declarations are available with a nominal copying fee (Barnes 2013, p. 105). The designated ethics officials receive the hard copies for the asset declarations of public officials of each Tier and then publish the copy at the working place of public officials. Currently, the use of technology in the public access of asset declarations is not considered as a necessary problem because the

public trust on government and the integrity level of public officials are high, especially in the preventive purpose of conflict of interest under the asset declaration system (Barnes 2013, p. 111).

4.1.1.4. Sanctions for non-compliance

There are three different groups of sanctions for non-compliance of public officials underlying the asset declaration system of Hong Kong. The groups of sanctions are applied into specific circumstances following the level of violations. Firstly, disciplinary sanctions are considered when there is non-compliance with the central or supplementary declaration rules or investment restrictions, instructions, or management advice given to the officer, or other civil service rules and regulations on conflict of interest. Civil Service Regulation describes the disciplinary sanctions for the failure to file asset declarations. Apart from disciplinary sanctions, administrative and criminal sanctions are also executed for the violations of conflict of interest. Specifically, Section 12 of the Regulation provides for a fine of HKD 100,000 (approximately USD 13,000), imprisonment for up to one year, and payment of a fine equal to the amount of advantage received by the infringement of public official. If a public official has any unexplained wealth, he or she may be fined up to HKD 500,000, imprisoned up to seven years, and be required to pay a sum not to exceed the amount of unexplained wealth. If the asset declaration of a public official reveals the existence of unexplained wealth, the declaration can be used as an evidence for prosecuting the illicit enrichment of the public official. However, the asset declaration system in Hong Kong is designed primarily to detect and prevent conflicts of interest for public officials rather than to detect the illicit enrichment of public officials (Barnes 2013, p. 104).

4.1.2 The legal framework of Indonesia's asset declaration system

Indonesia is one of 18-G20 countries in which asset disclosure system is considered explicitly by OECD and World Bank in 2013 (World Bank & OECD 2013). Indonesian Government seeks to strengthen the effectiveness of asset disclosure system in reducing corruption (OECD 2016, p. 11). Indonesia has improved the connections between reporting channels and asset declaration regulations. Indonesia's asset declaration system is managed by Corruption Eradication Commission, which is in charge of investigating and prosecuting the corruption of public officials. Article 5 of the Law 31/1999 requires public officials to declare their wealth and the content of the declaration form. The Corruption Eradication Commission's officials have responsibility to detect unusual changes in wealth over time, and signs of illicit enrichment. The Commission does not examine wealth reports for potential conflict of interest

(Hebershon & Mulukutla 2013, p. 114). Although specific merits of the current system such as compliance with administrative and bureaucratic procedures and available data online, the system still exists some challenges.

4.1.2.1. Scope and coverage

There were different declaration systems already under an army order of 1957 and the Presidential Decree No. 52/1970. Until 2015, there were two lines of asset declarations including (1) public officials (political or senior functions, certain other functions such as judges, prosecutors; (2) candidates of certain elective positions (governors and mayors) and civil servants (United Nations Office on Drugs Crime 2019a, p. 7). Therefore, almost all public employees have an obligation to disclose their income and asset. The scope of the system helps to diminish the omission for the misconduct of public employees. The total number of declarants has been increasing over the past four years.

Table 3: The number of declarants from 2014 to 2017 in Indonesia

Criteria	2014	2015	2016	2017
Number of public officials	179,873	218,662	270,273	315,561
Increase to previous year	-	22%	24%	17%

Source: (United Nations Office on Drugs Crime 2019a, p. 7)

According to table 3, the number of declarants has been gradually increasing over time from 179,973 in 2004 to 315,561 in 2017. As of February 2018, the public sector comprises a total 4,563,647 officials/civil servants. Thus, the Corruption Eradication Commission 's declaration system covers 6.91% of the public officials. The number of declarants is predicted to have an upward trend during the next years. Apart from disclosing themselves asset and incomes, the public officials also shall declare the asset and income of their family members, including their spouse and dependent children (United Nations Office on Drugs Crime 2019a, p. 7). The scope of the system is too wide to ensure the effectiveness of the system because of the shortage of human resources, database. The scope might lead to the formalistic asset declaration system in practice (OECD 2016, pp. 173-4)

In Indonesia, asset disclosure is a key element of any public-sector integrity framework, as it is an essential tool for transparency regarding the assets of public officials. The declarants in Indonesia have obligation to disclose a complete picture of their financial situation, including

property, valuables, financial portfolios, liabilities and all sources of income such as directorships, investments. Income and expenditures need to be declared no matter whether they occur in cash or via bank transfer, or whether they occurred in Indonesia or abroad. For each item, the origin of acquisition needs to be explained (own financial means, inheritance, the loan with the deed, loan without deed, gift, other). Where there is a mix of origins (e.g. partly income, partly loan), declarants can check several boxes. For all assets, declarants need to state who the owner is (declarant or spouse or children). Since the introduction of the e-system, the form is unified for entry and annual declarations, and state officials and candidates as well (United Nations Office on Drugs Crime 2019a, pp. 10-1).

4.1.2.2. Verification

In Indonesia, the verification allows all state bodies to monitor the compliance of submissions by declarants. The verification is conducted automatically submission compliance, formal check and general examination via e-system. Specifically, the system determines whether all public officials submit asset and income declaration or not. The e-system also check the sufficiency of data and correction of a format of asset declarations submitted by all declarants. The e-system then examines the balance of the financial flow generally and determines any risks under the information disclosed by the public officials automatically (United Nations Office on Drugs Crime 2019a, p. 19). Only 1% to 5% of declarations is verified by cross-checking databases and for primarily targeting the declarations of officials in high-risk agencies. The verification mechanism helps to detect the illicit enrichment of public officials more correctly, thanks to enhanced analysis, reporting database and business intelligence tools.

4.1.2.3. Public access

The electronic system seeks for the increase in transparency and accountability of asset declaration. The Corruption Eradication Commission has migrated all data from 2001 until today into the e-system. The database contains more than one million datasets. Summaries of declarations are made public online to any citizen (or state body) through the webpage, E-Announcement at <https://elhkpn.kpk.go.id> or <http://acch.kpk.go.id>. Citizens can search for public officials by name, and additionally by birth date to filter out individuals with common names. When clicking on the respective official, a pdf-file with a summary opens listing all assets. Core personal data such as the citizen number, bank account numbers, or private address is not published (United Nations Office on Drugs Crime 2019a, p. 24). Summaries of wealth disclosure reports are published in the state gazette and online on the Anticorruption Clearing

House Portal website. The portal also provides public access to compliance statistics and other reports on the system's performance (Transparency International 2015, p. 9).

4.1.2.4. Sanctions for non-compliance

In Indonesia, sanctions are applied for the failure of declarants in submitting or filing their asset declarations. There is not any prosecution for the failure. It means that the current legislation has not prescribed criminal sanctions for the infringement of public officials under asset declaration system. In the absence of stringent sanctions, the Corruption Eradication Commission encourages the compliance of public officials through internal bureaucratic channels, which is part of the Corruption Eradication Commission's strategy to improve the internal oversight and corruption prevention mechanism (Hebershon & Mulukutla 2013, p. 118). Instead of criminal sanctions, the asset declaration system of Indonesia focuses on disciplinary sanctions to handle the infringement of public officials in asset disclosure. However, there is not any official material that reports the result of applying the disciplinary sanctions for the violation of declarants in practice due to the lack of report from competent authorities (United Nations Office on Drugs Crime 2019a, p. 22)

4.2. Comparison with good practices

The study is to identify the common and different characteristics of asset declaration systems under the control of Hong Kong, Indonesia and Vietnam's government. The comparison between Vietnam's asset declaration system with Hong Kong's and Indonesia's system aims to explain the limitations of Vietnam's system from legal perspective practice. The asset and income declaration systems of three countries are approached from four main elements including scope and coverage of system; verification; public access and sanctions for non-compliance. All three countries are state parties of UNCAC, so generally, the characteristics of the asset declaration system of each country should conform with the essential requirement of UNCAC.

Specifically, owing to the different purpose of each system, all three systems require public officials to disclose their asset and income even though the groups of public officials have an obligation to disclose are different. The declarants usually are who have important position and high-risk level of corruption. The declarants have to disclose their own asset and income as well as the asset of their spouse, dependent children. Three systems also refer to verification mechanism to detect the infringements of public officials in asset and income declarations, but the verification is not implemented frequently as a compulsive step of the

asset declaration system. Verification in all three countries needs to obvious criteria for implementation, and the complaint of citizens is a standard criterion for verification under three systems. However, the criteria to verify asset declarations are different under the system of each country. The asset and income declaration system become formalistic and ineffective without verification. Besides, the governments of these three countries establish the public access and sanctions for non-compliance under its asset declaration system, but the scope of access and the strict level of sanctions of each country are different, which depends on political will, legal tradition and other elements. Most importantly, the differences under four above elements of asset declaration system of three countries are identified below explicitly so that the reasons for the ineffectiveness of asset declaration system in reducing corruption might be explained more thoroughly.

Firstly, the scope of asset declarations under the asset declaration system of Vietnam are likely to be widest in three countries. Apart from the senior public officials, Vietnam's system also requires the asset declaration of state-owner enterprises. The characteristics might be derived from the existence of 100 state enterprises and high corruption risk of the owners or representative of these enterprises. However, the coverage of asset and income required to disclose by the declarants in Vietnam is narrower than that in Indonesia and Hong Kong. Vietnam's system focuses on tangible assets and income of public officials rather than the intangible properties or positions of public officials beyond public agencies. Meanwhile, Hong Kong's system has an explicit identification which kind of asset need to be disclosed by each group of declarants because the level of corruption risk of each group is different. The redundancy of information triggers complex and ineffective control of asset declarations.

Secondly, the verification mechanism within Vietnam's asset declaration system is quite similar to that within Indonesia's asset declaration owing to the same purpose of asset declaration system to detect illicit enrichment. However, the verification of Indonesia's system is likely to be more comprehensive, thanks to e-system. Only a few asset declarations (approximately 1%-5%) of Indonesian declarants who worked in high-risk agencies are verified through cross-checking various databases. The workflow mechanism of Indonesia is implemented through an e-system which ensures that the initial evidence collected from different sources become reliable information to detect the infringement of public officials within the asset declaration process. The e-system enables the Corruption Eradication Commission to determine all incoming and outgoing financial flows of public officials explicitly, which is a feasible way to show a full picture of their financial situation. By contrast, the calculation between incoming and outgoing financial flows is difficult to implement in

Vietnam because of hidden assets and income. Moreover, in Vietnam, when there are complaints and similar suspicions, the declarants have obligation to explain the increase of their asset. Meanwhile, in Indonesia, the e-system keep auditing automatically the asset declarations of public officials mostly by the declaration itself and then a manual audit based on all sources of information will be implemented if it is a requirement of competent authorities. The audit step is merely applied in Vietnam's context if the step of plausibility check is a failure. Therefore, the criteria for an audit of declarant's financial situation in the two countries are different. From another context, the verification of Hong Kong's system collates the ethics of public officials to determine whether the conflict of interest in a public performance or not. Therefore, in Hong Kong, the verification is likely to be less implemented, and the verification process does not follow a workflow of verification.

In terms of public access, Indonesia's asset declaration system actually become successful, partly thanks to the electronic website. Citizens can approach the asset declarations of public officials through e-announcement when citizens identify the name and birth date of the public officials. The approach promotes the transparency and accountabilities of public offices and the role of citizens to supervise the performance of public officials in public affairs. Meanwhile, public access to asset declarations under Vietnam's asset declaration system is outdated and formalistic. Citizens merely approach the asset declarations of public officials by a hard copy attached at the information board of declarant's offices or during confidence voting. The public access to Vietnam's system limits the participation of citizens in supervising the performance of public officials. Hong Kong's system only discloses the asset declarations of all tier I officials publicly through hard copies instead of the online system. Owing to the preventive purpose of the conflict of interest, public access via the Internet is likely to be unnecessary under the asset declaration system of Hong Kong. Furthermore, the confidential information also is a constitutional regulation under the legal framework of Hong Kong so public officials' information needs to be considered carefully whether the information should be disclosed or not. Hong Kong's government has paid attention to protect the private information of an individual. Therefore, Hong Kong has traded off available information for confidential information regarding the asset and income of public officials. The trade-off might be a compatible measure to deal with Hong Kong's current corruption situation that is at a low level but might be an ineffective and infeasible measure to apply in Indonesia's or Vietnam's context where corruption level is high, and the public trust in the public official is low.

In terms of sanctions for non-compliance, both Vietnam's and Indonesia's asset declaration system exhibit some limitations. The enforcement or sanctions of two countries are

less likely to be strong enough to prevent corruption acts of public officials because of the lack of stricter sanctions. UNCAC encourages state parties to prescribe strong sanctions under domestic legislation, which aims to promote the effectiveness of the system. The current sanctions of these countries merely focus on disciplinary sanctions rather than administrative and criminal penalties. The current sanctions of Indonesia's and Vietnam's system are not stringent enough to ensure the compliance of public officials because in many cases, the individual interest gained by the corrupt acts of public officials outweigh the damages of sanctions imposed on them. For example, Pham Sy Quy, who is the director of Yen Bai's Department of Natural Resources Environment, has obligation to disclose his asset and income, but he declared inadequately, dishonestly. He infringed Article 5.1 of Decree No. 78/2013 about transparency on asset and income as well as Directive No.33-CT/TW on enhancing the leadership of Party on the asset and income declarations and controlling the declarations (Government Inspectorate of Vietnam 2017, p. 13). Specifically, he did not disclose 4,900m² of residential land and 27,500m² of agricultural land of his wife as well as bank loans on 9.1 billion VND. Even though the infringement of Pham Sy Quy is serious, but he only faced gentle sanctions which are "warning" sanction, the resignation of the current position and maneuverer to the new position of Deputy Chief of Yen Bai Provincial People's Council Office. Meanwhile, Hong Kong has designed strict sanctions including high punishment levels up to USD500,000 for administrative sanctions and up to seven years for criminal sanctions. The stringent sanctions in Hong Kong make public officials less to implement misconduct in public affair such as conflict of interest, unexplained wealth.

In comparison with good practices, once again, the limitations of the current asset declaration system in Vietnam are emphasized on the legal perspective in respect of scope and coverage, verification, public access and sanctions for non-compliance. The number of who required to disclose their assets and income is enormous, the kind of assets and income required to disclose by declarants are not sufficient. The public access and sanctions of the system are not diverse and strict respectively.

CHAPTER 5: REASONS FOR THE INEFFECTIVENESS OF VIETNAM'S ASSET DECLARATION SYSTEM

From the above analysis about the current asset declaration system of Vietnam and the comparison with relevant requirements of UNCAC and good practices of Hong Kong and Indonesia, the main reason for the ineffectiveness of Vietnam's system is derived from the limitations of asset declaration system under legal perspectives, including the scope and coverage of system, verification mechanism, public access and sanctions for non-compliance. Even if the legal framework were to be fixed, the system still would not be effective because of the other factors, including political will, technology, human resources.

5.1. Lack of political will

According to Quah (2017, p. 22), the political system is the most significant element of a country's policy context due to the capacity of political leaders and their political will to fight corruption. Under the asset declaration system, the political will is to imply the determination of political actors in reducing corruption through monitoring their assets and income. The detected corruption of public officials must be punished regardless of their position or status in society. In the study, political will is defined as the credible attention of political actors such as elected or appointed leaders, stakeholders' groups in curbing the causes and effects of corruption by asset declaration system. The political system of some countries such as Hong Kong and Indonesia commits against the corruption of public officials by the asset declaration system (Quah 2017, p. 34). The lack of political will in anti-corruption triggers for the incredibility and failure of policy. In other words, the political will is the prerequisite for a comprehensive and feasible anti-corruption policy, the anti-corruption policy by asset declaration system is not an exception. Under the asset declaration system, the absence of a political will is to express the hidden asset and income of public officials because of their group or individual interest gained from abusing their position in public performance. Generally, the anti-corruption policy and the asset declaration system are likely to be ineffective owing to the absence of the political will of public leaders regardless of the adequate and powerful anti-corruption law and independent anti-corruption agencies (Quah 2011, pp. 453-4). Therefore, a weak political will is a crucial reason for the ineffectiveness of asset declaration system. It is difficult to establish a strong legal framework of asset declaration system if the political will in anti-corruption is weak.

There are two indicators for assessing the political will of a government including (1) the per capita expenditure of the anti-corruption agencies calculated by dividing national

budget for a selected year by the population in the country for the same year; and (2) the staff-population ratio for the same anti-corruption agencies calculated by the ratio of population in the country for the selected year that are served by the number of personnel for the same year. For example, in Hong Kong, the highest per capita expenditure of anti-corruption agency was US\$13.40 million in 2008, and the staff-population ratio of Hong Kong's anti-corruption agencies retained at 1:5,780 meanwhile, in Indonesia, the former was USD0.14 million and the latter maintained at 1:433,888 (Quah 2011, p. 456). In Vietnam, these indicators are difficult to determine exactly over certain years or the data in terms of the national budget for anti-corruption is not accountable and transparent, which implies the lack of political will in anti-corruption and asset declaration system is meeting a significant constraint to gain the goal of reducing corruption. According to these above-mentioned data, Hong Kong's government paid more attention to anti-corruption rather than Indonesia's and Vietnamese's government in 2008. Therefore, the success of anti-corruption policy might be derived from the compatible investment into budget and human resources for anti-corruption agency (Quah 2011, p. 456). Hong Kong has more favorable policy contexts than Indonesia and Vietnam because it is a politically stable city-state with smaller territories to govern, with higher GDP per capita and a relatively small population (Quah 2011, p. 358). These two assets of their policy context and the political will of Hong Kong's government enable anti-corruption agency to curb corruption more effectively than Vietnam and Indonesia. In contrast, the policy context in Vietnam is less favorable because of its larger land area, population and lower GDP per capita (Quah 2011, p. 460).

Furthermore, Vietnamese leaders have perceived the adverse effects of corruption, but it is impossible to determine whether they want to deal with it or not (Vu, AD 2017, p. 132). If Vietnam's leaders had strong political will, they could propose solutions to deal with corruption by different measures such as asset declaration system. However, in fact, the political will of the leaders merely as window-dressing or lip service (Vu, AD 2017, pp. 132-3). They commit to anti-corruption measures in their election campaigns and promotion without any specific action to address the corruption in Vietnam. They are not willing to fight corruption because of their individual or group interests under the anti-corruption policy. In Vietnam, political will against corruption is the approach from both top-down trend and bottom-up trend. From the top-down approach, the political will is considered as lip service. Unlike Hong Kong and Indonesia, Vietnam's public institutions lack independence amongst Anti-Corruption Agencies. Under the asset declaration system, verifiers merely have the responsibility to detect the false declarations of public officials. After that, the results of the verification shall be

transferred to prosecutors for further prosecution, which aims to detect corrupt acts of the public officials. Furthermore, the anti-corruption agencies want to prosecute a Party member, the agencies need the approval of and consultation with the Party Committees in that person's organization or the higher level. Take the case of Vinalines as an example: *"Before arresting the leader of Vinalines because of his corrupt act, the anti-corruption agencies had to get permission from Prime Minister and the Party Central Committee regardless the agencies had sufficient evidence for the corrupt act of the leader"* (Vu, AD 2017, p. 139). Therefore, the anti-corruption agency is not independent of the Party. From the bottom-up approach, even though the Vietnam Constitution Law prescribed a principle that *"people know, people discuss, people do, and people check"*, people are not encouraged to do that. In other words, the role of civil society in supervising the performance of public officials has not acknowledged in practice. Under the asset declaration system, the role of citizens or civil society in denouncing the misconduct of public officials is less likely to be received much attention from political leaders. Therefore, the weak political will might be a reason for the ineffectiveness of asset declaration system in Vietnam.

5.2. Lack of a robust legal framework

As the above analysis, the legal framework of asset declaration system exhibits some limitations based on the comparison with international standard (UNCAC) and the good practices of Indonesia and Hong Kong. The limitations of legal framework underlie four factors of current asset declaration system, including the scope and coverage; verification; public access and sanctions for non-compliance.

In terms of the scope of asset declaration system, the number of declarants required to disclose their income and assets is too huge. It accounts for nearly a half number of total public officials in Vietnam (approximately more than one million of asset declarations per year). The number has an upward trend according to the 2018 ACL, which make asset declaration system to become more formalistic and complicated. The compulsive regulation of asset declarations might be unsuitable and ineffective in practice because at the same positions of public officials, the corruption risk of the public officials is different. The requirement for a huge number of public officials to disclose their income and asset is unnecessary and become a pressure of asset declaration system in storage and settlement of formalistic declaration forms. Moreover, the coverage of assets and income of public officials required to disclose under the legal framework of the current asset declaration system is not adequate. The existing regulation is likely to

exhibit a big loophole so that unethical public officials hide their illegal assets and income easily.

The verification mechanism under Vietnam's asset declaration system has a different characteristic compared to that under other asset declaration systems. The significant difference is that the public officials have obligation to explain an increase or variation of their assets and income during the specific period. If the public officials cannot explain the upward trend and variation reasonably, a verification in term of the truthfulness and accuracy of asset declaration is implemented to determine the illicit enrichment of the public officials. The criteria for verification under current system are insufficient, which causes the omission of corrupt public officials. According to the data on table 1, there are only a few cases verified by competent authorities to detect the false of declarations and other infringement of declarants. Furthermore, the asset declaration system of Vietnam does not prescribe a specific method to calculate the incoming and outgoing financial resources so that the competent authorities can determine mismatch between the actual income and the expenditure of public officials in practice more precisely.

Another limitation of the legal framework is significantly considered in public access to asset and income declarations. Although the 2018 ACL insisted that the asset declarations of public officials are publicly disclosed at the workplace of declarants or during confidence voting or meeting of Board of members, it is difficult and inconvenient for citizens or civil society to approach the declarations of public officials, which prevents the goals of asset declaration system from reducing corruption. In practice, with the current manner of public access, only a few employees at the workplace of declarants pay attention to the declarations of their colleagues. Furthermore, the disclosure at the workplace of the declarants is not to ensure the transparency of the system because the managers of the declarant's office examine the assets and income declarations of the public officials. In many cases, the managers tend to conceal the infringement of his/her employees as a way to overshadow their infringement. As a consequence, current public access is likely to prevent the effectiveness of asset declaration system by limiting the access of citizens and civil society to asset declarations.

Finally, although UNCAC also has recommendations about sanctions for non-compliance that should be suitable with its national context, a weak set of sanctions triggers to the ineffectiveness of existing asset declaration. Currently, the system merely focuses on disciplinary sanctions instead of administrative and criminal sanctions. Therefore, the prevention and deterrence of existing sanctions are not high. The sanctions for non-compliance under Vietnam's current asset declaration system are not strong enough to enforce the

compliance of public officials because the benefits gained from misconduct acts of the public official might outweigh disciplinary on themselves. The public officials keep implementing corrupt acts because the sanctions do not make them feel scared when they shall face a gentle sanction only.

5.3. Lack of technological utilization

The technology can contribute to reducing human errors in the submission process, increasing the effectiveness of the verification process and facilitating public access to asset declaration information (Hebershon & Mulukutla 2013; Transparency International 2015, p. 1) so the lack of suitable technology leads to ineffective asset declaration system under legal perspective. The technology for the verification and public access under existing asset declaration system of Vietnam are outdated.

Firstly, in terms of the verification mechanism, the result of verification depends on the quantity and quality of information and data collected from a diversity of sources such as a bank, estate agencies, tax and the offices of declarants. Currently, the offices of declarants manage the asset declaration of their employees. Initially, the authority compares the lists of declarants with the declarations submitted and then reviews whether the assets and income declarations forms are filled out correctly or not by manual method. Until the audit step, the verifying unit is compared the declaration with various sources of information by materials provided by different agencies. In comparison with Indonesian's asset declaration system, the e-system brings the success of the asset declaration to reduce corruption, thanks to the actual and timely verification. The e-system helps to limit the mistake and subjectivity of authority within verification even though verification via the internet still exist little errors. According to the 2018 ACL, national assets and income database shall be developed and managed by Government Inspectorate of Vietnam. Thereby, the national assets and income database include information about declarations and conclusions of verification of assets and income and other relevant to assets and income of declarants. The new database is predicted to bring a positive effect on the whole asset declaration system to detect illicit enrichment, which aims to reduce corruption in Vietnam.

Secondly, the public access of Vietnam's system is outdated, which trigger the ineffectiveness of asset declaration system. The public access under the asset declaration system can become more effective actually if the asset declarations of public officials should be approached on an online website publicly. Everyone can review the asset declarations anytime and anywhere instead of approaching at the workplace of the public officials or during

confidence or meeting of the Board members. The public approach ensures the transparency of public administration as well as the role of citizens in monitoring the assets and income of public officials in practice. Besides, the declarants can also disclose their assets and income via internet system. The control of submission and the storage of asset declarations system by e-system become easier than traditional asset declaration system.

5.4. Limitation on employees working in enforcement and compliance

The limitations on the number and capacity of employees also are fundamental factors to prevent the of Vietnam's asset declaration system in anti-corruption. According to Article 30 of the 2018 ACL, the authority and responsibility of state organizations and individuals for asset and income surveillance is decentralized from the central level to provincial level. Thereby, besides anti-corruption agencies such as Government Inspectorate, Provincial Inspectorates, others agencies including ministries, ministerial agencies, Governmental agencies, the People's Supreme Procuracy, State Audit Office of Vietnam and competent authorities of Communist Party of Vietnam shall keep surveillance of assets and income of the individuals required to disclose assets and income respectively. Therefore, the number of employees working in enforcement and compliance is likely to be redundant and complicated because of the decentralization of power in controlling the asset declaration system.

However, in fact, the verification merely is a small part of these agencies' tasks in state management. The agencies are in charge of different tasks such as the settlement of complaints and denunciation by Inspectorate, settlement of specific industry by Ministries; prosecution by the People's Supreme Procuracy and so on. As a consequence, several employees of these agencies have responsibility to control asset declaration system is not adequate to solve a considerable number of asset declarations each year. They have implemented their professional work and the responsibility for assets and income surveillance concurrently. Moreover, most of the employees have not been trained surveillance skills frequently or do not have much experience to implement the task so the quality of surveillance cannot bring effectiveness as expectation. Under the other asset declaration system such as Hong Kong's and Indonesia's asset declaration system, there is an independent agency to implement a significant task. The establishment of independent anti-corruption agencies is likely to help two countries' system to have more success than its Vietnam. The number of surveillance individuals is adequate to address a massive number of assets and income declarations annually, and the implementation also might gain higher quality because of the hand-on experience of employees in controlling assets and income declarations. There is not any training program of public task related to

monitoring the assets and income declaration of Vietnamese public officials during the period of running the asset declaration system.

In Vietnam, according to the 2018 ACL, the control of assets and income declarations has been assigned for Inspectorate agencies. With the design, there are 85 inspectorate agencies to implement the task including Government Inspectorate of Vietnam, 21 Ministerial Inspectorates and 63 Provincial Inspectorates. Especially, Government Inspectorate of Vietnam controls the asset declarations of 6,000 public officials. In the situation, whether the supplement of employees to implement the task is possible or not. According to the argument of Inspector- Deputy General Nguyen Van Thanh, if the task is implemented by Inspectorates, the efficiency of economic-social inspection will reduce half of the implementation. Inspectorate Agencies only inspect important cases assigned by President of the Social Republic of Vietnam, Prime minister. 1/3 the employees of Government Inspectorate of Vietnam have responsibility to control assets and income declarations of 6,000 public officials (Nguyen 2019, p. 10). As a result, the quality of Vietnam's asset declaration system might have significant improvement next time, thanks to the predicted distribution of human resources working in compliance and enforcement.

Vietnam's asset declaration system has had a long journey of development attached to the reform of the national anti-corruption policy. However, the effectiveness of asset declaration system to reduce corruption is not high because of four main reasons, including the lack of political will and powerful legal framework; technology deficit and limitation of human resources working in enforcement and compliance. Therein, a set of limitation of the legal framework including scope and coverage of asset declaration system, verification, public access and sanctions for non-compliance are emphasized as the most fundamental reason for the ineffectiveness of current Vietnam's system. From the above analysis, the study can generalize the main causes of ineffective asset declaration system in reducing corruption. The generalization could be considered as a framework to determine whether the asset declaration system is running effectively or ineffectively.

CHAPTER 6: CONCLUSION AND POLICY IMPLICATIONS

6.1. Introduction

Corruption exists as a global phenomenon in both developed and developing countries, even though the level of corruption in each country is different. There is a variety of anti-corruption tools chosen by the Government of each country. The anti-corruption tools are subject to the anti-corruption policy and the country's context. Asset declaration system is one of the practical anti-corruption tools that help to detect and prevent corruption in the public sector through the scrutiny of public officials' asset declarations. According to Habershon and Trapnell (2012, p. 21), there is no uniform or single best-practice design for optimal outcomes of asset declaration system within every context because these outcomes depend on specific conditions across countries such as legal traditions, previous experience and current problems.

The study analyses the existing asset declaration of Vietnam and concludes that Vietnam's asset declaration system is ineffective in reducing corruption through the comparison with relevant requirements of UNCAC and case studies of Hong Kong and Indonesia. Thereby, the study explains the main reasons for the ineffectiveness of Vietnam's asset declaration system and generalize a lesson for other countries to assess the effectiveness of its asset declaration system in reducing corruption. From the generalization, the research seeks for some policy implications for overcoming some main reasons for the ineffectiveness of the system. In this final chapter, the study (a) presents a summary of the findings and (b) proposes concrete policy implications.

6.2. Summary of findings

A literature review was undertaken to identify the implications of effective asset declaration system and how the asset declaration system can help to reduce corruption from a legal perspective. The study assesses the effectiveness of Vietnam's system and generalize some significant causes in the effectiveness of asset declaration system in general. After that, the study gives in-depth policy implications for other countries instead of proposing specific solutions to address the limitations of the system. In other words, the outcome of study seeks for comprehensive and feasible implications against corruption as a bigger picture by asset declaration system. Some policy implications are given to address the reasons for the ineffectiveness of asset declaration system in reducing corruption. The practices of Hong Kong and Indonesia also are considered as case studies to compare with. The data, information and

materials collected from primary and secondary sources are incorporated in this chapter to enhance the findings and policy implications. Some findings are determined by the study as follows:

Firstly, the weak legal framework of asset declaration system is the main reason for the ineffectiveness of asset declaration system in Vietnam. The limitation of the legal framework is identified from four legal factors including scope and coverage, verification, public access and sanctions for non-compliance. In comparison with international standard (UNCAC), the access declaration system of Vietnam merely meets the part of the compulsive requirements of UNCAC in terms of the scope of system and verification. The weak legal framework of Vietnam's system also is acknowledged more obviously by the comparison with good practices of Hong Kong and Indonesia. The legal framework of Hong Kong is good at prescribing a suitable scope and coverage of system and strict sanctions for non-compliance; meanwhile, the asset declaration system of Indonesia is effective due to comprehensive verification and public access. The legal framework designed well from a theoretical perspective and country context can bring the effectiveness of asset declaration system in a practical perspective.

Secondly, apart from the legal framework, there are three factors including political will, technology and human resources that also affect the effectiveness of asset declaration system in reducing corruption in Vietnam. The factors are likely due to essential elements that decide the success of anti-corruption policy by asset declaration system. If there is only a well-structured legal framework, the effectiveness of asset declaration system is not ensured in practice because of the lack of political will. Whereas, the legal framework is formalistic without a determined political will that is the core element for the effectiveness of anti-corruption policy in general. A strong political will identifies the determination of the country's leaders in anti-corruption. The leaders should commit and give some feasible policies to limit the hidden assets and income of public official in public affair. A good political will can lead to a successful legal framework rather than the formalistic legal framework. Besides, the improvement about technological utilization and the capacity of employees working in enforcement and compliance are necessary to restrict the limitations of the relevant legal framework such as the wide scope of asset declaration, complex verification, insufficient public access. In other words, the effectiveness of asset declaration system is not high, owing to the lack of e-system absorbed for verification and public access. The verification procedure is implemented more rapidly and correctly by e-system. The role of citizens and civil society in supervising the assets and income of public officials is guaranteed by the wide public access on a specific online website or national database. Most importantly, the capacity of human

resources plays an essential role in remaining the effectiveness of the system during operation. An asset declaration system with strong political will, good legal framework cannot bring the effectiveness of system comprehensively without the enormous capacity of human resources in enforcement and compliance.

Thirdly, the limitations in respect of legal framework, political will, technology, human resources found from the case study of Vietnam can become a common generalization to consider the ineffectiveness of any asset declaration system in the world. In other words, to assess the effectiveness of asset declaration system, the government can consider the quality of above-mentioned factors including the legal framework, political will, technology and human resources. The asset declaration system might be ineffective to reduce corruption owing to the lack of stringent legislation, determined political will, available technology and potential human resources.

6.3. Policy implications

The study has examined the current position of Vietnam's asset declaration system and also identified the challenges of the current system. The following policy implications are presented as lessons for other countries to improve the effectiveness of asset declaration in reducing corruption through addressing the above-mentioned reasons for the ineffectiveness of the system (Habershon & Trapnell 2012, p. 34). Although asset declaration system is a tool to fight corruption, the system cannot bring high effectiveness to reduce corruption without necessary elements, especially in countries where democracies are not mature, corruption is an "epidemic" disease. Therefore, to improve the effectiveness of asset declaration system, each country should assess existing legal framework (coverage and scope, verification, public access, sanctions for non-compliance), support actors such as actors' political will, technology and capacity of employees working in enforcement and compliance.

6.3.1. How should political will be committed?

Asset declaration system cannot bring effectiveness to reduce corruption without strong political will. The determined political will should be identified through the state investment into the development of independent anti-corruption agencies and employees working for the agencies as well as the role of citizens and civil society in supervising the performance of public officials in public affairs. The determined political will of state leaders is an essential start of feasible anti-corruption policy in general and the success of legal framework of asset declaration system in particular.

6.3.2. Which legal framework should be chosen?

There is no one best legal framework in respect of asset declaration system for all countries. The countries should consider the results of legal tradition and previous experience and existing problems so as to improve legislation in term of asset declarations. The regulations of asset declarations can be prescribed into different legal materials such as ACL, Conflict of interest rules, Criminal Codes, Code of Ethics so that public officials shall comply with the obligation of asset declarations under the legislation. The codification also is significant to determine the necessary functions of an agency or body under the asset declaration system. Furthermore, the codification within the legal framework can ensure legal enforceability through appropriate sanctions for non-compliance and illicit enrichment.

6.3.3. Who should be obliged to declare income and assets?

There is no universal standard to determine who should be obliged to declare income and assets. The category of persons who required to disclose assets and income is subject to the national context. There is no persuasive evidence to identify the collaboration between the broadest coverage of declarants and more effective prevention of corruption. The number of declarants should be determined following the level and responsibilities of public officials in the public sector. The senior officials have more managerial powers in public affairs than middle and low-level officials, so the senior officials have a higher risk of corruption. The asset declaration system should focus on monitoring the assets and income of the senior officials rather than junior officials.

Unethical officials tend to hide their assets under the names of their relatives, their spouses, their children and other individuals. It is necessary to monitor the wealth of both the public officials and their close relatives and household members. However, each country also considers the provision more carefully to avoid conflict with other regulations in terms of the privacy of individuals. The coverage of the system should not be a result of an overloaded burden on the vast number of persons who are not public officials, especially when the declared information might affect privacy protection negatively.

6.3.4. What information should be declared?

The purpose of asset declaration system decides the coverage of information to be disclosed by declarants. The coverage of information for the preventive purpose of the conflict of interest is different from that for detection purpose of illicit enrichment. With the foregoing purpose, the information is about individual interests gained the duties of officials in public

affairs rather than a comprehensive picture of all income, assets, outside activities of the public officials. With the latter purpose, the income and asset surveillance merely are possible when the declared information reflects substantial income and assets and variation truthfully. If the purposes of the system include two above-mentioned objectives, the declared information should be the current and potential interest of officials outside and inside public affairs and actual income and assets of officials.

6.3.5. How should asset declarations be verified?

The effectiveness of asset declaration system is subject to the quality of the verification mechanism. The verification for asset declarations is necessary, especially in which trust in Government and the role of civil society is low, whereas the number of declarants and the level of perceived corruption is high. Each country can approach more than one method of verification that is suitable with the existing database, the capacity of verifiers. The verification should be conducted following obvious criteria such as the complaints of citizens, the requirement of competent authorities, the sign of false declaration, and so on. The number of asset declarations verified annually should be calculated explicitly to avoid the omission of infringement of public officials. With developing countries where corruption level is high, the verification of asset declarations should be conducted more frequently than developed countries where corruption level is lower. However, the system should avoid verifying a huge number of asset declarations because the verifications might be a trigger for high implement costs against little relevant findings.

Each country should design a verification procedure which is a workflow to ensure the consistent implementation of surveillance authorities. An e-system is recommended to enhance the effectiveness and efficiency of verification under the asset declaration system by calculating the incoming and outgoing financial flows of public officials and reduce the requirement of human resources for the system. In practice, verification for the asset declarations of public officials is likely to be a compulsive requirement of the system with the detection purpose of illicit enrichment, but it is an arbitrary requirement of the system with the preventive purpose of the conflict of interest. Furthermore, some countries in which civil society is strong, media is independent, elections are free and fair, and public disclosure is sufficient, do not run any verification.

Furthermore, the government should pay more attention to develop the capacity of employees working in enforcement and compliance, which aims to verify the infringements of

public officials more correctly and improve then the effectiveness of asset declaration system in reducing corruption.

6.3.6. Which information should be opened to public access?

To improve the effectiveness of asset declaration system, the declared data should be available to different entities such as investigators for detecting cases of possible criminal acts, competent authorities for determining the infringement of public officials in asset declarations, citizens for supervising the performance and lifestyle of public officials. Although some private information is confidential not to be approached by anyone, countries should utilize asset declaration system to monitor conflicts of interest and illegal wealth and allow supervisors to access some necessary data. The public access to asset declarations should be easy and convenient via the official online website, which aims to improve the effectiveness of monitoring asset declarations, reduce the number of employees working in the storage of information.

6.3.7. Which are sanctions for non-compliance?

Sanctions for non-compliance helps to promote the effectiveness of asset declaration system in reducing corruption. It is likely to have a relationship between strict sanctions for non-compliance and a low level of corruption. Administrative and disciplinary sanctions are adopted for the failure of public officials in complying declaration rules or late or incomplete asset declarations. Criminal sanctions are necessary to adopt for false declarations or provision of false information. In many cases, the administrative and disciplinary sanctions are not strong enough to prevent the infringement of public officials such as corruption, bribes in public affairs. However, criminal sanctions require more convincing and stronger evidence than administrative and disciplinary sanctions. Therefore, each country should scrutinize whether the false declaration or provision of false information might be proved as illegal acts under criminal code or not.

The above policy implications are designed as lessons for other countries to improve the effectiveness of asset declaration system in reducing corruption. The implications seek for how to deal with the limitation and challenges of current asset declaration system in terms of political will, legal framework and technology and human resources. The implications focus on overcoming the limitation of asset declaration system from a legal framework perspective.

6.4. Concluding remark

The ineffectiveness of Vietnam's asset declaration system is derived from the weak legal framework, insufficient political will, technology deficit and weak capacity of employees working in enforcement and compliance. In this study, the improvements for the effectiveness of the system in reducing corruption focus on overcoming the limitations of the current legal framework in terms of the scope and coverage of the system, verification, public access and sanctions for non-compliance as well as complementary factors. The results of the study are expected to become rationale for further study which explores other factors for the ineffectiveness of asset declaration system to detect corrupt act of public officials more considerably or assess the effectiveness of the system as an anti-corruption tool based on the comparison with other tools such as transparency in the activities of public agencies.

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